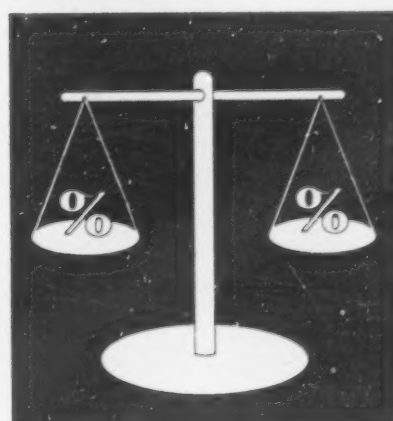
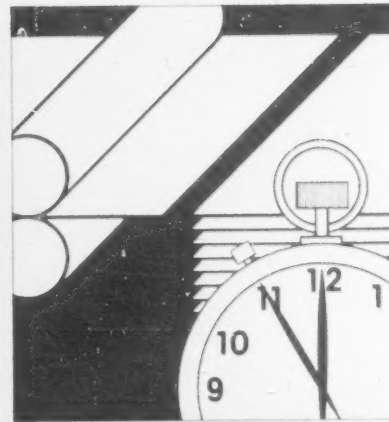
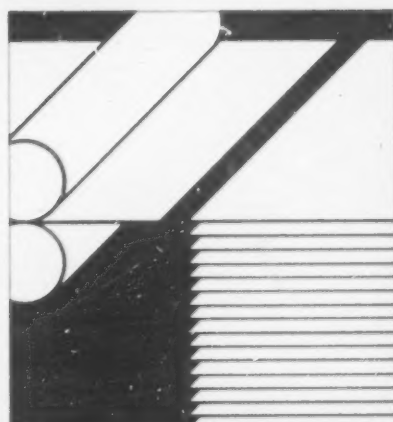
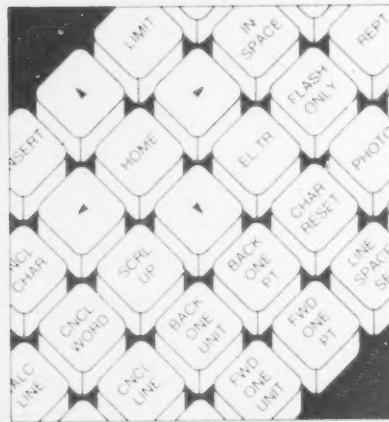
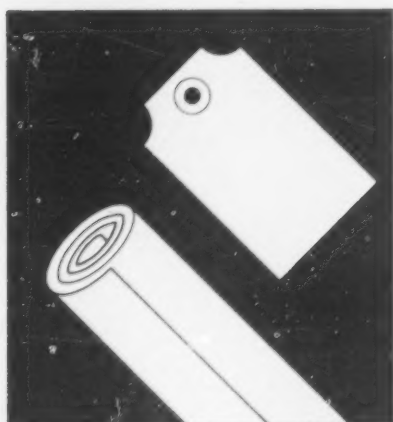




Printing
Industries of
America, Inc.

1984 Financial Ratios



Volume XII
Preparatory Specialists' Ratios

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state, and city associations composed of over 12,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's Affiliated Associations automatically entitles an organization PIA membership.

PIA's Financial Services offers the following products and services:

- PrintFinance: PIA in conjunction with Merrill Lynch brings you an innovative, comprehensive financial package called PrintFinance, available only from PIA Financial Services. PrintFinance is a unique competitively priced financial service package developed especially for the printing industry and allied graphic arts firms.
- The Annual PIA Financial Ratio Study - A Multinational Financial Survey
- Money Manager - A Monthly Financial newsletter with an exclusive print activity forecast: PrintOutlook
- Reprints of "Economics and Financial Management" articles from issues of PIA Management News
- Financial Management/Microcomputer Seminars

For further information, contact:

William A. Rose, II
Director, PIA Financial Services
1730 North Lynn Street
Arlington, Virginia 22209
703/841-4805

PIA's Education and Publication Group is active in financial management, offering numerous publications on the subject:

- Best & Worst Markets for Printers in the 1980s (a unique marketing and financial planning aid, available by subscription directly from PIA)
- Cost Accounting for the Job Order Printer
- Graphic Arts Estimating, Volume I
- Money Making Guide to Printing Estimating, revised edition
- Running in the Black: Six Steps to Managing Printing Profitability
- Sales Compensation in the Printing Industry - 1983
- Simplified Cost System
- Tax Planning for Your Graphic Arts Business
- Understanding Value Added
- Value Added Financial Management: A Guide for Printers
- 1981-82 Production Management Compensation Survey
- 1983 Survey of Sales Management: Practices and Compensation
- 1984 Executive Compensation Report

These books are available through PIA Affiliated Associations' Graphic Arts Bookstores. For further information, contact:

Printing Industries of America, Inc.
Margaret A. Hogue, Director of Editorial Services
1730 North Lynn Street
Arlington, Virginia 22209
(703) 841-8144

61ST annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 1 Carlisle Drive, Arnold, Maryland 21012.

1984 FINANCIAL RATIOS

PREPARATORY SPECIALISTS

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PRINTING INDUSTRIES OF AMERICA, INC.

Management Services Department
1730 North Lynn Street
Arlington, Virginia 22209

Edited and Prepared by H. R. Margolis Company,
Certified Public Accountants
New York and Philadelphia (Bala Cynwyd)

Printed in U.S.A.



PRINTING INDUSTRIES OF AMERICA, INC.

1730 North Lynn Street, Arlington, VA 22209 (703) 841-4805

Dear Colleague:

1984 is the 61st year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the U.S. and Canadian graphic arts industries. In addition, it allows individual firms to compare their annual performance with that of many other similar firms, including those which earn well above-average profits. Ratio results are published annually. They are summarized as follows:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers

For a more complete composite picture of your company's performance relative to the U.S. and Canadian printing industry, several books could be used in your analysis, such as one of the overview volumes, e.g., *All Printers by Sales Volume*, and one that addresses your particular business segment or production process, e.g., *Book Manufacturers or Web Offset — Heatset*, respectively. Alternatively, such analysis is facilitated by participating in the Ratio Study each year and ordering an individual company computer printout which compares a participant's ratios to those of companies which are similar in size and sales volume, produce the same products, and use the same manufacturing process.

Please refer your questions on the PIA Ratio Study to your nearest local PIA affiliated association or to me at the address above.

William A. Rose, II
Director, PIA Financial Services

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1984 PIA FINANCIAL RATIOS FOR PREPARATORY SPECIALISTS who participated in the 1984 Ratio Studies. This Ratio Study was developed on the basis of questionnaires volunteered by 40 firms and presents the ratios and statistics of Preparatory Specialists by sales volume, product specialty and market.

Thus the user of the report can direct himself to the standards for his sales size — for example, sales to \$500,000, sales from \$500,000 to \$1,500,000 etc.; market — for example, Printers and Lithographers, Advertising Agencies, etc. and type of work — for example, Black and White and Color Work. Readers can compare the data from their own firm's financial statements with similar data from other firms in four areas: Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies.

H.R. Margolis Company
Certified Public Accountants
Bala Cynwyd, Pennsylvania

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The Graphic Preparatory Association is a special industry unit of PIA which represents and supports the common interests of preparatory trade plants in serving the Graphic Arts Industry. This study of the financial ratios of preparatory specialists is but one of the services GPA offers to its members.

Each year GPA holds two major meetings. In the spring, there is a Technical Awareness Seminar for Management. The two-day session is designed to update members of technological changes in the industry. In the winter, GPA holds its Annual Meeting in a resort location. This three-day session allows a maximum flow of information among the membership through its half-day sessions, social events and the relaxing atmosphere of the resort.

In addition to the meetings and the ratio study, the Association's monthly newsletter *UP FRONT* has become a technical and management resource to over 800 Preparatory Industry leaders. Allowing them to quickly update themselves is the technical and industry news which is of interest to the Preparatory Specialist.

GPA prepares compensation surveys, a quarterly industry activity survey, and publishes an annual buyers' guide. Active membership is open to any PIA member engaged in the operation of a preparatory trade plant serving the GPA Industry. Associate membership is open to any PIA member engaged in the manufacture or distribution of supplies or equipment for use in the preparatory industry.

Ronald S. Ballard
Executive Director
Graphic Preparatory Association
(815) 734-4178

CHAPTER 1 - BY SIZE OF FIRM

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING PROFIT ALL FIRMS LEADERS*		SALES TO \$500,000**
			ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIALS			
Paper	2.16	2.61	6.03
Other chargeable materials	15.08	13.16	13.33
Outside services	3.54	6.37	3.54
TOTAL MATERIALS	20.78	22.14	22.90
FACTORY PAYROLL	38.29	35.62	47.32
FACTORY EXPENSES	13.94	13.33	16.28
TOTAL FACTORY COST OF PRODUCT	73.01	71.09	86.50
GROSS PROFIT	26.99	28.91	13.50
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	11.48	10.60	9.28
Selling expenses	10.39	8.08	1.48
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	21.87	18.68	10.76
INCOME BEFORE INTEREST EXPENSE	5.12	10.23	2.74
Interest expense	2.51	1.35	0.34
OPERATING INCOME	2.61	8.88	2.40
Other income	1.03	2.82	0.54
INCOME BEFORE INCOME TAXES	3.64	11.70	2.94

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	0.50%	0.18%	13.33%
Film	9.30	7.95	0.00
Plates	1.84	1.37	0.00
Other chargeable materials	3.44	3.66	0.00
TOTAL OTHER CHARGEABLE MATERIALS	15.08	13.16	13.33
OUTSIDE SERVICES			
Composition	0.12	0.03	0.73
Offset preparation	0.57	0.34	0.00
Printing	1.19	2.60	0.00
Binding	0.31	0.00	1.29
Other outside services	1.35	3.40	1.52
TOTAL OUTSIDE SERVICES	3.54	6.37	3.54

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Sample insufficient for Profit Leaders.

SALES FROM
\$500,000-\$1,500,000**

ALL FIRMS

100.00%

2.74

16.55

2.27

21.56

35.98

15.56

73.10

26.90

11.83

9.93

21.76

5.14

3.48

1.66

0.55

2.21

SALES FROM
\$1,500,000-\$3,000,000

ALL FIRMS

100.00%

PROFIT
LEADERS

100.00%

1.48

15.37

5.26

22.11

33.20

14.31

69.62

30.38

12.97

13.15

26.12

4.26

3.26

1.00

0.82

1.82

0.00

13.18

13.81

26.99

29.75

12.59

69.33

30.67

10.76

9.07

19.83

10.84

0.88

9.96

0.44

10.40

SALES OVER
\$3,000,000

ALL FIRMS

100.00%

PROFIT
LEADERS

100.00%

1.74

14.61

2.88

19.23

41.07

12.68

72.98

27.02

10.72

10.22

20.94

6.08

2.00

4.08

1.44

5.52

5.20

9.96

2.29

17.45

39.85

12.70

70.00

30.00

12.21

8.31

20.52

9.48

0.87

8.61

4.53

13.14

0.64%

9.93

2.00

3.98

16.55

0.12

0.58

0.14

0.43

1.00

2.27

0.13%

10.48

1.51

3.25

15.37

0.03

0.57

2.36

0.05

2.25

5.26

0.00%

8.87

2.74

1.57

13.18

0.09

0.45

6.84

0.00

6.43

13.81

0.48%

8.46

2.15

3.52

14.61

0.06

0.77

1.01

0.25

0.79

2.88

0.00%

5.02

0.52

4.42

9.96

0.00

0.36

0.00

0.00

1.93

2.29

CHAPTER 1 - BY SIZE OF FIRM

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES TO \$500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	3.60%	3.99%	14.39%
Direct wages	26.69	23.78	24.45
General factory salaries and wages	1.39	1.38	0.00
Packing, shipping and delivery wages	0.76	0.31	1.59
Payroll taxes	2.57	2.85	3.51
Employee benefits	3.28	3.31	3.38
TOTAL FACTORY PAYROLL	38.29	35.62	47.32
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.19	0.11	0.00
Depreciation - other	4.27	3.78	5.40
Taxes - real estate	0.21	0.18	0.81
Taxes - other	0.18	0.13	0.29
Insurance	0.54	0.66	1.27
Building rent	1.62	1.67	3.03
Utilities - heat, light, etc.	1.27	1.11	1.73
Equipment rental	0.41	0.65	0.00
Total Fixed Expenses	8.69	8.29	12.53
Other Expenses			
Factory supplies and expense	1.67	2.07	0.22
Packing, shipping and delivery expense	1.39	0.89	1.78
Repairs and maintenance	1.34	1.06	1.04
Other factory expenses	0.85	1.02	0.71
Total Other Expenses	5.25	5.04	3.75
TOTAL FACTORY EXPENSES	13.94	13.33	16.28
ADMINISTRATIVE EXPENSES			
Salaries - executive	3.24	3.19	2.65
Salaries - office	2.42	1.94	2.11
Payroll taxes	0.53	0.77	0.37
Employee benefits	0.86	0.69	0.53
Bad debts	0.52	0.00	0.53
Office supplies and expenses	0.52	0.38	1.93
Professional fees	0.98	0.75	0.21
Taxes - business	0.14	0.09	0.15
Telephone	0.65	0.47	0.55
Other administrative expenses	1.62	2.32	0.25
TOTAL ADMINISTRATIVE EXPENSES	11.48	10.60	9.28
SELLING EXPENSES			
Salaries - executive	0.87	0.62	0.00
Salaries and commissions - salesmen	5.48	3.46	0.00
Salaries - sales office clerical	0.58	1.27	0.00
Payroll taxes	0.32	0.33	0.00
Employee benefits	0.37	0.40	0.00
Advertising	0.56	0.21	0.15
Travel and entertainment	1.24	0.69	0.00
Other selling expenses	0.97	1.10	1.33
TOTAL SELLING EXPENSES	10.39	8.08	1.48

** Sample insufficient for Profit Leaders.

SALES FROM \$500,000-\$1,500,000**	SALES FROM \$1,500,000-\$3,000,000		SALES OVER \$3,000,000	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
5.60%	1.71%	2.91%	2.29%	3.35%
25.49	24.35	19.85	29.07	26.86
0.40	0.84	0.28	2.37	2.55
0.44	1.03	0.49	0.57	0.25
2.45	2.36	3.20	2.61	2.78
1.60	2.91	3.02	4.16	4.06
35.98	33.20	29.75	41.07	39.85
0.00	0.32	0.15	0.21	0.11
6.22	4.05	3.36	3.50	2.93
0.06	0.24	0.25	0.16	0.18
0.51	0.03	0.07	0.13	0.01
0.71	0.54	1.03	0.35	0.29
2.53	1.47	0.64	1.13	1.60
1.30	1.30	1.36	1.15	0.91
0.14	0.54	0.02	0.49	1.29
11.47	8.49	6.88	7.12	7.32
1.69	1.51	2.68	2.00	2.12
0.72	1.61	0.57	1.43	1.30
1.34	1.51	1.11	1.28	0.99
0.34	1.19	1.35	0.85	0.97
4.09	5.82	5.71	5.56	5.38
15.56	14.31	12.59	12.68	12.70
2.78	3.99	4.16	3.01	3.27
3.30	2.35	1.62	2.19	2.66
0.46	0.80	1.51	0.39	0.40
0.34	0.72	0.17	1.22	1.25
0.70	0.73	(0.06)	0.31	0.04
0.55	0.34	0.39	0.39	0.37
0.97	1.44	0.46	0.80	0.73
0.11	0.19	0.07	0.12	0.11
0.75	0.81	0.46	0.53	0.45
1.87	1.60	1.98	1.76	2.93
11.83	12.97	10.76	10.72	12.21
0.47	1.54	1.08	0.72	0.44
5.58	7.02	4.34	5.35	3.69
0.00	0.47	0.41	0.97	2.24
0.37	0.41	0.41	0.30	0.35
0.25	0.47	0.29	0.42	0.58
1.04	0.66	0.36	0.37	0.07
1.04	1.67	1.06	1.23	0.33
1.18	0.91	1.12	0.86	0.61
9.93	13.15	9.07	10.22	8.31

CHAPTER 1 - BY SIZE OF FIRM

BALANCE SHEET

	ALL FIRMS REPORTING		SALES TO
	ALL FIRMS	PROFIT LEADERS	\$500,000**
ASSETS			ALL FIRMS
CURRENT ASSETS			
Cash	8.49%	12.22%	23.79%
Receivables	34.67	33.69	31.13
Inventories	6.71	6.15	4.74
Other current assets	4.30	5.13	2.12
TOTAL CURRENT ASSETS	54.17	57.19	61.78
FIXED ASSETS			
Real estate	8.64	8.68	0.00
Less: Accumulated depreciation	1.59	0.38	0.00
	7.05	8.30	0.00
Machinery and equipment	66.41	43.75	108.81
Less: Accumulated depreciation	38.57	25.25	78.37
	27.84	18.50	30.44
Other fixed assets	11.86	14.27	18.91
Less: Accumulated depreciation	6.28	7.83	11.13
	5.58	6.44	7.78
NET FIXED ASSETS	40.47	33.24	38.22
OTHER ASSETS	5.36	9.57	0.00
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	11.44	3.94	3.98
Accounts payable	9.98	5.64	19.16
Other current liabilities	14.32	21.32	8.07
TOTAL CURRENT LIABILITIES	35.74	30.90	31.21
LONG-TERM LIABILITIES	25.83	25.00	10.95
TOTAL LIABILITIES	61.57	55.90	42.16
SHAREHOLDERS' AND PROPRIETORS' EQUITY	38.43	44.10	57.84
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.52	1.85	1.98
QUICK RATIO	1.33	1.65	1.83
TOTAL LIABILITIES TO EQUITY	1.60	1.27	0.73
LONG-TERM LIABILITIES TO EQUITY	0.67	0.57	0.19
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.58	0.58	0.72

** Sample insufficient for Profit Leaders.

SALES FROM \$500,000-\$1,500,000**		SALES FROM \$1,500,000-\$3,000,000		SALES OVER \$3,000,000	
ALL FIRMS		ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
10.37%		7.18%	1.84%	6.09%	14.81%
24.98		36.94	46.90	37.48	32.19
6.95		5.13	5.72	8.00	8.02
2.63		4.99	6.31	4.87	5.40
44.93		54.24	60.77	56.44	60.42
0.99		12.52	16.02	10.46	5.35
0.59		1.02	0.98	2.62	0.02
0.40		11.50	15.04	7.84	5.33
89.10		54.99	52.48	58.14	25.74
46.25		32.78	33.95	32.81	13.44
42.85		22.21	18.53	25.33	12.30
13.48		14.19	12.93	8.50	16.13
7.46		7.12	7.51	4.46	8.64
6.02		7.07	5.42	4.04	7.49
49.27		40.78	38.99	37.21	25.12
5.80		4.98	0.24	6.35	14.46
100.00		100.00	100.00	100.00	100.00
18.03		14.48	8.26	8.10	1.69
8.13		10.29	6.24	8.95	6.61
5.28		16.64	7.02	17.35	35.79
31.44		41.41	21.52	34.40	44.09
30.82		25.98	16.97	26.26	27.89
62.26		67.39	38.49	60.66	71.98
37.74		32.61	61.51	39.34	28.02
100.00		100.00	100.00	100.00	100.00
1.43		1.31	2.82	1.64	1.37
1.21		1.19	2.56	1.41	1.19
1.65		2.07	0.63	1.54	2.57
0.82		0.80	0.28	0.67	1.00
0.52		0.60	0.65	0.56	0.52

CHAPTER 1 - BY SIZE OF FIRM

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES TO
	PROFIT		\$500,000**
	ALL FIRMS	LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	\$ 31,941	\$ 30,670	\$ 13,426
Average assets per factory employee (Excluding Executives)	46,320	44,034	20,283
Average net worth per employee - All employees	12,540	15,446	7,934
Average gross plant investment per factory employee (Excluding Executives)	39,910	29,673	25,634
Net worth percentage of fixed assets	131.11%	149.72%	147.44%
EMPLOYEES			
Percent factory - All employees	76.42%	78.82%	86.77%
Percent administrative - All employees	12.52	11.43	13.23
Percent sales - All employees	11.06	9.75	0.00
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	\$ 61,530	\$ 60,323	\$ 46,899
Sales per factory employee	82,326	80,556	55,968
Sales less material per factory employee	65,172	61,559	42,526
Sales per administrative employee	546,832	498,106	216,213
EXCLUDING EXECUTIVES			
Sales per employee - All employees	69,146	67,784	64,184
Sales per factory employee	89,192	87,501	73,009
Sales less material per factory employee	70,643	66,751	55,625
SALES PER SALESMAN	502,784	576,773	0
SALES TO CURRENT ASSETS	404%	394%	601%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	52.97%	48.31%	52.98%
Factory payroll percentage of gross plant investment	104.68	131.27	132.96
Payroll per employee - All employees	\$ 32,556	\$ 28,938	\$ 24,807
Payroll per factory employee	30,646	26,758	25,673
Payroll per administrative employee	35,925	32,567	14,385
Payroll per sales employee	41,634	38,512	0
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	\$ 25,615	\$ 21,106	\$ 17,899
Payroll per factory employee	25,171	20,660	18,925
Payroll per administrative employee	16,666	13,559	9,161
Payroll per sales employee	36,480	32,928	0
EXECUTIVE PAYROLL			
Payroll per executive - All executives	47,719	49,085	30,064
Payroll per factory executive	27,396	33,142	31,272
Payroll per administrative executive	61,340	85,504	9,630
Payroll per sales executive	26,784	22,747	0
RECEIVABLES			
Collection period	63.9	61.2	31.2
PROFIT			
Gross profit percentage of sales	26.99%	28.91%	13.50%
Average gross profit per factory employee	\$ 25,054	\$ 26,352	\$ 10,260
Income before taxes percentage of sales	3.64%	11.70%	2.94%
Average income before taxes per employee	\$ 2,409	\$ 7,017	\$ 1,264

** Sample insufficient for Profit Leaders.

SALES FROM \$500,000-\$1,500,000**		SALES FROM \$1,500,000-\$3,000,000		SALES OVER \$3,000,000	
ALL FIRMS		ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
\$ 25,918		\$ 36,208	\$ 33,952	\$ 34,523	\$ 29,811
41,550		55,787	52,654	46,203	41,411
9,003		13,951	21,187	13,743	11,596
42,675		46,986	42,210	36,496	20,490
95.52%		143.80%	219.76%	133.76%	105.68%
74.65%		70.26%	71.94%	79.50%	78.69%
15.10		14.34	15.57	10.18	11.18
10.25		15.40	12.49	10.32	10.13
\$ 52,626		\$ 65,347	\$ 67,946	\$ 64,887	\$ 57,342
72,684		94,267	98,270	82,509	75,066
57,683		73,471	71,112	66,325	60,691
293,159		497,603	515,377	733,404	609,680
62,748		73,261	79,562	69,722	61,309
84,355		99,743	107,442	86,735	79,832
67,069		77,688	77,569	69,840	64,578
230,588		370,434	224,681	681,250	928,865
478%		366%	350%	367%	374%
49.52%		50.97%	43.73%	55.65%	54.72%
75.09		84.97	70.76	124.61	191.04
\$ 25,896		\$ 33,158	\$ 29,390	\$ 36,036	\$ 31,346
25,387		30,677	27,264	33,499	28,581
21,953		36,519	32,551	44,553	40,721
29,854		42,433	33,613	52,622	51,813
\$ 21,724		\$ 25,868	\$ 20,400	\$ 28,245	\$ 23,507
21,640		25,275	19,936	27,516	22,964
14,279		17,339	12,947	18,397	17,409
26,307		36,372	27,800	46,588	45,006
30,409		42,241	38,607	61,044	61,351
26,936		24,499	31,567	28,860	34,746
24,348		52,134	44,522	90,482	137,615
6,041		32,949	25,392	35,205	26,450
45.6		72.2	86.7	70.8	57.3
26.90%		30.38%	30.67%	27.02%	30.00%
\$ 24,346		\$ 31,073	\$ 34,239	\$ 23,783	\$ 24,221
2.21%		1.82%	10.40%	5.52%	13.14%
\$ 1,352		\$ 1,456	\$ 6,919	\$ 3,646	\$ 7,632

CHAPTER 1 - BY SIZE OF FIRM

RETURN ON INVESTMENT - PER \$100 OF SALES

	ALL FIRMS REPORTING PROFIT		SALES TO \$500,000**
	ALL FIRMS	LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	\$ 4.08	\$ 5.28	\$ 7.46
Receivables	16.97	16.56	8.50
Inventories	3.26	3.18	1.00
Marketable securities	0.22	0.84	0.00
Other current assets	1.89	1.90	0.66
	26.42	27.76	17.62
Plant Investment:			
Land and building	6.00	4.59	0.00
Machinery and equipment	33.48	23.21	31.57
Other fixed assets	5.47	7.23	4.52
	44.95	35.03	36.09
Non-Current Assets	3.13	7.14	0.00
TOTAL INVESTMENT	74.50	69.93	53.71
INVESTMENT TURNOVER PER \$100 OF SALES	134.23%	143.00%	186.19%
EARNINGS			
Cost of Product	\$73.01	\$71.09	\$86.50
Selling Expenses	10.39	8.08	1.48
Administrative Expenses	11.48	10.60	9.28
	94.88	89.77	97.26
Income Before Interest, Other Income, and Taxes	5.12	10.23	2.74
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	6.87%	14.63%	5.10%

** Sample insufficient for Profit Leaders.

SALES FROM \$500,000-\$1,500,000**		SALES FROM \$1,500,000-\$3,000,000		SALES OVER \$3,000,000	
ALL FIRMS		ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
\$ 5.04		\$ 4.48	\$ 0.78	\$ 2.88	\$ 5.91
11.86		19.01	23.68	19.01	15.39
3.22		2.68	2.89	4.03	4.19
0.00		0.05	0.18	0.46	1.54
1.29		2.43	2.95	1.96	1.52
21.41		28.65	30.48	28.34	28.55
0.46		10.07	9.41	6.44	2.11
44.00		30.23	26.92	31.90	15.24
6.30		6.84	6.80	4.38	8.03
50.76		47.14	43.13	42.72	25.38
2.65		2.44	0.15	4.29	11.96
74.82		78.23	73.76	75.35	65.89
133.65%		127.83%	135.57%	132.71%	151.77%
\$73.10		\$69.62	\$69.33	\$72.98	\$70.00
9.93		13.15	9.07	10.22	8.31
11.83		12.97	10.76	10.72	12.21
94.86		95.74	89.16	93.92	90.52
5.14		4.26	10.84	6.08	9.48
6.87%		5.45%	14.70%	8.07%	14.39%

CHAPTER 2 - BY MARKET

REPORT ON OPERATIONS - SALES = 100%

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIALS			
Paper	2.19	3.31	10.44
Other chargeable materials	16.14	14.01	12.93
Outside services	4.37	1.94	0.49
TOTAL MATERIALS	22.70	19.26	23.86
FACTORY PAYROLL	37.26	37.83	36.50
FACTORY EXPENSES	13.58	14.60	14.30
TOTAL FACTORY COST OF PRODUCT	73.54	71.69	74.66
GROSS PROFIT	26.46	28.31	25.34
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	12.30	11.77	8.59
Selling expenses	9.47	10.84	7.30
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	21.77	22.61	15.89
INCOME BEFORE INTEREST EXPENSE	4.69	5.70	9.45
Interest expense	2.85	2.37	2.91
OPERATING INCOME	1.84	3.33	6.54
Other income	0.68	0.74	2.76
INCOME BEFORE INCOME TAXES	2.52	4.07	9.30

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	0.61%	0.43%	0.64%
Film	11.16	9.96	7.81
Plates	0.63	0.76	0.00
Other chargeable materials	3.74	2.86	4.48
TOTAL OTHER CHARGEABLE MATERIALS	16.14	14.01	12.93
OUTSIDE SERVICES			
Composition	0.20	0.00	0.00
Offset preparation	0.40	0.27	0.00
Printing	1.24	0.67	0.00
Binding	0.41	0.17	0.00
Other outside services	2.12	0.83	0.49
TOTAL OUTSIDE SERVICES	4.37	1.94	0.49

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**	OTHER	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%
0.27	0.00	0.14	4.94	0.00
15.96	13.05	16.27	11.16	14.54
2.78	0.70	2.37	7.19	11.63
19.01	13.75	18.78	23.29	26.17
42.25	43.89	39.00	33.58	32.10
13.69	13.02	13.41	14.56	12.25
74.95	70.66	71.19	71.43	70.52
25.05	29.34	28.81	28.57	29.48
10.49	12.41	12.04	9.71	9.02
10.57	4.98	12.01	10.88	10.49
21.06	17.39	24.05	20.59	19.51
3.99	11.95	4.76	7.98	9.97
3.06	0.76	0.56	1.90	1.10
0.93	11.19	4.20	6.08	8.87
0.95	1.18	0.44	3.61	6.90
1.88	12.37	4.64	9.69	15.77

0.92%	0.00%	0.04%	0.35%	0.00%
10.74	5.94	6.00	5.81	9.12
1.05	1.36	8.26	0.46	0.00
3.25	5.75	1.97	4.54	5.42
15.96	13.05	16.27	11.16	14.54
0.01	0.00	0.26	0.14	0.00
1.84	0.70	0.79	0.34	0.00
0.16	0.00	0.00	4.39	8.04
0.44	0.00	0.00	0.49	0.00
0.33	0.00	1.32	1.83	3.59
2.78	0.70	2.37	7.19	11.63

CHAPTER 2 - BY MARKET

SUPPORTING SCHEDULES - SALES = 100%

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL			
Salaries - executive	5.24%	2.67%	5.75%
Direct wages	24.86	27.50	24.72
General factory salaries and wages	0.86	0.85	0.60
Packing, shipping and delivery wages	0.71	0.96	0.27
Payroll taxes	2.73	2.40	2.02
Employee benefits	2.86	3.45	3.14
TOTAL FACTORY PAYROLL	37.26	37.83	36.50
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.21	0.14	0.00
Depreciation - other	4.67	4.98	6.92
Taxes - real estate	0.32	0.11	0.00
Taxes - other	0.22	0.21	0.38
Insurance	0.83	0.49	0.74
Building rent	1.67	2.11	3.35
Utilities - heat, light, etc.	1.29	1.01	0.98
Equipment rental	0.42	0.42	0.00
Total Fixed Expenses	9.63	9.47	12.37
Other Expenses			
Factory supplies and expense	0.86	1.41	0.20
Packing, shipping and delivery expense	1.44	1.42	0.41
Repairs and maintenance	1.23	1.36	0.84
Other factory expenses	0.42	0.94	0.48
Total Other Expenses	3.95	5.13	1.93
TOTAL FACTORY EXPENSES	13.58	14.60	14.30
ADMINISTRATIVE EXPENSES			
Salaries - executive	3.47	2.57	1.40
Salaries - office	2.62	2.93	1.84
Payroll taxes	0.77	0.44	0.18
Employee benefits	0.65	1.08	1.67
Bad debts	0.82	0.47	0.05
Office supplies and expenses	0.88	0.39	0.54
Professional fees	0.81	1.60	1.25
Taxes - business	0.10	0.12	0.24
Telephone	0.77	0.68	0.45
Other administrative expenses	1.41	1.49	0.97
TOTAL ADMINISTRATIVE EXPENSES	12.30	11.77	8.59
SELLING EXPENSES			
Salaries - executive	0.67	0.66	0.00
Salaries and commissions - salesmen	5.62	5.89	2.85
Salaries - sales office clerical	0.24	0.34	0.94
Payroll taxes	0.30	0.27	0.18
Employee benefits	0.32	0.44	0.63
Advertising	0.78	0.69	0.16
Travel and entertainment	0.88	1.64	0.49
Other selling expenses	0.66	0.91	2.05
TOTAL SELLING EXPENSES	9.47	10.84	7.30

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**		OTHER	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS		ALL FIRMS	PROFIT LEADERS
2.70%	4.69%	1.52%		3.80%	3.38%
29.63	28.93	28.18		23.31	21.93
2.91	2.80	0.39		1.92	1.91
0.76	0.00	0.63		0.56	0.70
2.77	3.56	2.57		1.96	1.61
3.48	3.91	5.71		2.03	2.57
42.25	43.89	39.00		33.58	32.10
0.21	0.19	0.00		0.32	0.26
3.62	2.10	2.12		4.26	2.51
0.07	0.01	0.00		0.61	0.71
0.15	0.02	0.07		0.12	0.00
0.27	0.20	0.56		0.23	0.25
1.41	1.70	1.25		0.97	0.67
1.13	0.90	2.13		1.50	0.96
0.26	0.64	0.00		0.98	1.94
7.12	5.76	6.14		8.99	7.30
1.85	2.74	3.95		3.01	2.45
1.61	1.78	1.19		0.78	1.10
1.54	1.32	1.01		1.46	1.24
1.57	1.42	1.12		0.32	0.16
6.57	7.26	7.27		5.57	4.95
13.69	13.02	13.41		14.56	12.25
2.82	3.05	4.50		4.15	4.42
1.95	2.35	1.99		1.80	1.41
0.38	0.51	0.46		0.26	0.22
0.89	0.72	1.64		0.42	0.26
0.40	0.03	(0.04)		0.35	0.01
0.22	0.25	0.29		0.40	0.33
0.75	0.51	0.75		0.70	0.74
0.26	0.00	0.10		0.11	0.10
0.49	0.64	0.52		0.63	0.55
2.33	4.35	1.83		0.89	0.98
10.49	12.41	12.04		9.71	9.02
1.06	0.00	0.69		1.75	1.85
4.72	0.82	5.49		5.75	4.48
1.45	3.17	0.76		0.27	0.54
0.33	0.23	0.40		0.43	0.39
0.24	0.21	0.76		0.39	0.46
0.28	0.07	0.28		0.30	0.36
1.12	0.15	2.02		1.18	1.38
1.37	0.33	1.61		0.81	1.03
10.57	4.98	12.01		10.88	10.49

CHAPTER 2 - BY MARKET

BALANCE SHEET

ASSETS	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
CURRENT ASSETS			
Cash	11.17%	9.90%	18.66%
Receivables	33.30	33.55	12.67
Inventories	6.16	6.81	8.23
Other current assets	3.46	5.73	10.53
TOTAL CURRENT ASSETS	54.09	55.99	50.09
FIXED ASSETS			
Real estate	8.18	4.08	0.00
Less: Accumulated depreciation	1.54	0.52	0.00
	6.64	3.56	0.00
Machinery and equipment	72.41	63.04	72.29
Less: Accumulated depreciation	42.88	34.32	37.46
	29.53	28.72	34.83
Other fixed assets	11.96	13.95	10.28
Less: Accumulated depreciation	6.27	7.06	4.48
	5.69	6.89	5.80
NET FIXED ASSETS	41.86	39.17	40.63
OTHER ASSETS	4.05	4.84	9.28
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	15.58	12.79	2.42
Accounts payable	10.71	7.98	1.68
Other current liabilities	7.11	11.42	13.48
TOTAL CURRENT LIABILITIES	33.40	32.19	17.58
LONG-TERM LIABILITIES	26.53	19.92	25.39
TOTAL LIABILITIES	59.93	52.11	42.97
SHAREHOLDERS' AND PROPRIETORS' EQUITY	40.07	47.89	57.03
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.62	1.74	2.85
QUICK RATIO	1.44	1.53	2.38
TOTAL LIABILITIES TO EQUITY	1.50	1.09	0.75
LONG-TERM LIABILITIES TO EQUITY	0.66	0.42	0.45
ACCUMULATED DEPRECIATION MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.59	0.54	0.52

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**	OTHER	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
6.41%	18.63%	1.58%	5.47%	8.84%
32.67	27.08	54.43	31.83	37.67
6.61	3.60	11.81	4.80	5.40
5.64	0.50	1.96	2.47	3.71
51.33	49.81	69.78	44.57	55.62
10.33	0.00	0.00	24.28	29.84
2.23	0.00	0.00	4.19	0.76
8.10	0.00	0.00	20.09	29.08
61.47	23.98	82.37	53.02	20.61
35.44	12.61	63.43	22.50	9.54
26.03	11.37	18.94	30.52	11.07
11.26	23.99	12.63	7.03	9.43
5.61	13.38	8.61	4.12	5.98
5.65	10.61	4.02	2.91	3.45
39.78	21.98	22.96	53.52	43.60
8.89	28.21	7.26	1.91	0.78
100.00	100.00	100.00	100.00	100.00
7.36	0.96	6.80	6.25	6.19
10.20	5.06	12.45	10.08	12.65
28.11	39.80	16.96	13.84	22.73
45.67	45.82	36.21	30.17	41.57
33.74	37.93	3.49	37.04	30.63
79.41	83.75	39.70	67.21	72.20
20.59	16.25	60.30	32.79	27.80
100.00	100.00	100.00	100.00	100.00

1.12	1.09	1.93	1.48	1.34
0.98	1.01	1.60	1.32	1.21
3.86	5.15	0.66	2.05	2.60
1.64	2.33	0.06	1.13	1.10
0.58	0.53	0.77	0.42	0.46

CHAPTER 2 - BY MARKET

SIGNIFICANT FACTS

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
INVESTMENT			
Average assets per employee - All employees	\$ 30,587	\$ 35,089	\$ 35,887
Average assets per factory employee (Excluding Executives)	47,715	50,249	50,429
Average net worth per employee - All employees	11,629	16,888	20,573
Average gross plant investment per factory employee (Excluding Executives)	41,778	40,657	37,757
Net worth percentage of fixed assets	116.49%	170.26%	146.28%
EMPLOYEES			
Percent factory - All employees	73.03%	77.75%	84.82%
Percent administrative - All employees	15.52	11.77	7.59
Percent sales - All employees	11.45	10.48	7.59
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	\$ 61,193	\$ 67,344	\$ 66,698
Sales per factory employee	86,657	88,404	85,030
Sales less material per factory employee	66,809	71,648	65,620
Sales per administrative employee	408,764	551,603	276,563
EXCLUDING EXECUTIVES			
Sales per employee - All employees	71,335	73,070	73,427
Sales per factory employee	95,642	94,973	93,000
Sales less material per factory employee	73,723	77,080	71,664
SALES PER SALESMAN	391,477	482,342	1,031,500
SALES TO CURRENT ASSETS	436%	376%	436%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	51.94%	52.46%	46.19%
Factory payroll percentage of gross plant investment	103.08	100.23	86.69
Payroll per employee - All employees	\$ 31,320	\$ 35,611	\$ 32,508
Payroll per factory employee	30,274	33,268	31,084
Payroll per administrative employee	28,647	39,731	28,126
Payroll per sales employee	32,307	46,081	25,467
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	\$ 24,308	\$ 28,284	\$ 24,107
Payroll per factory employee	24,305	27,698	24,574
Payroll per administrative employee	14,335	18,755	11,058
Payroll per sales employee	27,996	41,439	20,993
EXECUTIVE PAYROLL			
Payroll per executive - All executives	41,829	51,622	53,105
Payroll per factory executive	31,691	22,356	34,568
Payroll per administrative executive	39,892	72,113	92,992
Payroll per sales executive	19,948	19,380	0
RECEIVABLES			
Collection period	58.0	63.2	26.5
PROFIT			
Gross profit percentage of sales	26.46%	28.31%	25.34%
Average gross profit per factory employee	\$ 27,225	\$ 27,761	\$ 25,682
Income before taxes percentage of sales	2.52%	4.07%	9.30%
Average income before taxes per employee	\$ 1,936	\$ 2,906	\$ 6,108

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**		OTHER	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS		ALL FIRMS	PROFIT LEADERS
\$ 31,055	\$ 20,686	\$ 29,293		\$ 32,786	\$ 31,033
40,817	26,440	41,815		47,371	42,630
8,028	6,141	18,054		10,879	8,669
35,791	11,890	39,484		41,092	26,178
91.98%	77.32%	272.71%		66.22%	72.38%
80.23%	82.94%	74.08%		78.18%	79.94%
9.31	10.34	14.73		9.45	9.27
10.46	6.72	11.19		12.37	10.79
\$ 54,090	\$ 34,229	\$ 68,392		\$ 59,773	\$ 63,469
68,141	41,274	92,402		76,336	79,547
54,816	35,588	75,019		59,163	59,648
716,713	508,922	538,277		642,320	692,462
58,337	37,046	77,795		69,527	72,352
71,396	44,451	97,966		85,620	86,651
57,523	38,353	79,526		66,631	64,822
737,749	1,011,000	377,383		505,473	498,210
387%	448%	351%		438%	388%
56.10%	54.97%	55.70%		48.80%	46.13%
107.79	175.30	100.51		117.55	181.96
\$ 30,501	\$ 18,808	\$ 38,171		\$ 29,655	\$ 30,190
28,618	18,097	35,946		25,982	26,035
37,853	23,369	42,477		42,635	44,721
46,970	42,345	51,828		43,513	47,047
\$ 24,445	\$ 14,117	\$ 28,940		\$ 23,655	\$ 23,097
23,882	14,112	28,408		22,360	21,717
16,962	12,145	16,784		18,850	15,668
42,297	39,682	43,051		35,757	36,709
50,072	40,189	54,957		47,851	59,532
28,821	30,722	19,403		27,753	31,493
62,708	56,654	66,179		102,770	143,827
36,668	0	29,917		44,629	68,113
65.4	52.5	88.3		64.3	65.9
25.05%	29.34%	28.81%		28.57%	29.48%
\$ 17,722	\$ 13,011	\$ 28,460		\$ 24,633	\$ 25,607
1.88%	12.37%	4.64%		9.69%	15.77%
\$ 598	\$ 4,252	\$ 3,128		\$ 6,359	\$ 10,452

CHAPTER 2 - BY MARKET

RETURN ON INVESTMENT - PER \$100 OF SALES

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
INVESTMENT			
Current Assets:			
Cash	\$ 5.18	\$ 5.27	\$ 9.33
Receivables	15.33	16.59	7.17
Inventories	2.69	3.50	4.65
Marketable securities	0.00	0.64	3.08
Other current assets	1.60	2.29	2.85
	24.80	28.29	27.08
Plant Investment:			
Land and building	6.45	3.13	0.00
Machinery and equipment	32.62	32.79	37.56
Other fixed assets	4.77	6.46	5.41
	43.84	42.38	42.97
Non-Current Assets	1.93	2.34	4.58
TOTAL INVESTMENT	70.57	73.01	74.63
INVESTMENT TURNOVER PER \$100 OF SALES	141.70%	136.97%	133.99%
EARNINGS			
Cost of Product	\$73.54	\$71.69	\$74.66
Selling Expenses	9.47	10.84	7.30
Administrative Expenses	12.30	11.77	8.59
	95.31	94.30	90.55
Income Before Interest, Other Income, and Taxes	4.69	5.70	9.45
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	6.65%	7.81%	12.66%

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**	OTHER	
ALL FIRMS	PROFIT LEADERS		ALL FIRMS	PROFIT LEADERS
\$ 2.94	\$ 7.12	\$ 0.63	\$ 2.40	\$ 3.49
17.59	13.89	24.01	16.98	18.00
3.64	2.06	4.97	2.50	2.42
0.22	0.00	0.00	0.14	0.27
2.47	0.29	0.76	1.41	2.06
26.86	23.36	30.37	23.43	26.24
6.95	0.00	0.00	13.97	16.35
35.59	14.93	34.51	32.78	13.06
6.08	11.96	5.50	4.00	5.16
48.62	26.89	40.01	50.75	34.57
6.83	23.58	2.88	1.14	0.39
82.31	73.83	73.26	75.32	61.20
121.49%	135.45%	136.50%	132.77%	163.40%
\$74.95	\$70.66	\$71.19	\$71.43	\$70.52
10.57	4.98	12.01	10.88	10.49
10.49	12.41	12.04	9.71	9.02
96.01	88.05	95.24	92.02	90.03
3.99	11.95	4.76	7.98	9.97
4.85%	16.19%	6.50%	10.60%	16.29%

CHAPTER 3 - BY TYPE OF WORK

REPORT ON OPERATIONS - SALES = 100%

	BLACK AND WHITE**	COLOR WORK	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIALS			
Paper	3.55	1.97	3.48
Other chargeable materials	14.45	15.25	13.20
Outside services	2.59	3.77	8.26
TOTAL MATERIALS	20.59	20.99	24.94
FACTORY PAYROLL	45.70	36.84	32.86
FACTORY EXPENSES	15.02	13.83	13.44
TOTAL FACTORY COST OF PRODUCT	81.31	71.66	71.24
GROSS PROFIT	18.69	28.34	28.76
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	9.94	11.53	10.00
Selling expenses	5.04	11.60	9.11
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	14.98	23.13	19.11
INCOME BEFORE INTEREST EXPENSE	3.71	5.21	9.65
Interest expense	0.23	2.95	1.54
OPERATING INCOME	3.48	2.26	8.11
Other income	0.14	1.04	3.37
INCOME BEFORE INCOME TAXES	3.62	3.30	11.48

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	4.13%	0.37%	0.21%
Film	9.30	9.51	8.32
Plates	1.02	1.91	1.37
Other chargeable materials	0.00	3.46	3.30
TOTAL OTHER CHARGEABLE MATERIALS	14.45	15.25	13.20
OUTSIDE SERVICES			
Composition	0.37	0.06	0.04
Offset preparation	0.19	0.62	0.23
Printing	0.43	1.40	3.46
Binding	0.69	0.21	0.00
Other outside services	0.91	1.48	4.53
TOTAL OUTSIDE SERVICES	2.59	3.77	8.26

** Sample insufficient for Profit Leaders.

	BLACK AND WHITE**	COLOR WORK	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL			
Salaries - executive	9.36%	2.59%	3.76%
Direct wages	28.30	26.42	22.07
General factory salaries and wages	0.12	1.51	0.90
Packing, shipping and delivery wages	1.80	0.60	0.41
Payroll taxes	3.41	2.41	2.61
Employee benefits	2.71	3.31	3.11
TOTAL FACTORY PAYROLL	45.70	36.84	32.86
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.00	0.22	0.09
Depreciation - other	4.09	4.39	4.34
Taxes - real estate	0.40	0.19	0.24
Taxes - other	0.21	0.18	0.16
Insurance	0.98	0.46	0.81
Building rent	2.40	1.49	1.66
Utilities - heat, light, etc.	1.24	1.28	1.18
Equipment rental	0.22	0.45	0.66
Total Fixed Expenses	9.54	8.66	9.14
Other Expenses			
Factory supplies and expense	0.66	1.80	1.84
Packing, shipping and delivery expense	2.98	1.12	0.59
Repairs and maintenance	1.09	1.39	0.98
Other factory expenses	0.75	0.86	0.89
Total Other Expenses	5.48	5.17	4.30
TOTAL FACTORY EXPENSES	15.02	13.83	13.44
ADMINISTRATIVE EXPENSES			
Salaries - executive	1.86	3.46	3.24
Salaries - office	2.67	2.35	1.80
Payroll taxes	0.32	0.55	0.85
Employee benefits	0.58	0.90	0.68
Bad debts	0.42	0.56	(0.01)
Office supplies and expenses	1.14	0.40	0.43
Professional fees	1.45	0.89	0.83
Taxes - business	0.12	0.15	0.12
Telephone	0.58	0.66	0.42
Other administrative expenses	0.80	1.61	1.64
TOTAL ADMINISTRATIVE EXPENSES	9.94	11.53	10.00
SELLING EXPENSES			
Salaries - executive	0.00	1.05	0.83
Salaries and commissions - salesmen	2.35	6.17	4.35
Salaries - sales office clerical	1.05	0.51	0.64
Payroll taxes	0.18	0.36	0.37
Employee benefits	0.08	0.43	0.46
Advertising	0.28	0.63	0.25
Travel and entertainment	0.25	1.44	0.86
Other selling expenses	0.85	1.01	1.35
TOTAL SELLING EXPENSES	5.04	11.60	9.11

** Sample insufficient for Profit Leaders. -25-

CHAPTER 3 - BY TYPE OF WORK

BALANCE SHEET

	BLACK AND WHITE**	COLOR WORK	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
ASSETS			
CURRENT ASSETS			
Cash	23.91%	5.90%	10.08%
Receivables	31.25	35.81	35.89
Inventories	5.51	7.04	7.01
Other current assets	2.68	4.72	6.68
TOTAL CURRENT ASSETS	63.35	53.47	59.66
FIXED ASSETS			
Real estate	0.00	10.47	11.58
Less: Accumulated depreciation	0.00	1.93	0.51
	0.00	8.54	11.07
Machinery and equipment	77.03	65.70	50.34
Less: Accumulated depreciation	54.30	36.52	29.47
	22.73	29.18	20.87
Other fixed assets	20.59	10.21	11.03
Less: Accumulated depreciation	13.12	5.02	5.98
	7.47	5.19	5.05
NET FIXED ASSETS	30.20	42.91	36.99
OTHER ASSETS	6.45	3.62	3.35
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	1.99	13.45	4.94
Accounts payable	14.36	9.43	5.84
Other current liabilities	16.39	13.97	15.15
TOTAL CURRENT LIABILITIES	32.74	36.85	25.93
LONG-TERM LIABILITIES	13.44	27.84	20.69
TOTAL LIABILITIES	46.18	64.89	46.62
SHAREHOLDERS' AND PROPRIETORS' EQUITY	53.82	35.31	53.38
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.93	1.45	2.30
QUICK RATIO	1.77	1.26	2.03
TOTAL LIABILITIES TO EQUITY	0.86	1.84	0.87
LONG-TERM LIABILITIES TO EQUITY	0.25	0.79	0.39
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.70	0.56	0.59

** Sample insufficient for Profit Leaders.

SIGNIFICANT FACTS

	BLACK AND WHITE**	COLOR WORK	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
INVESTMENT			
Average assets per employee - All employees	\$ 16,174	\$ 34,893	\$ 33,998
Average assets per factory employee (Excluding Executives)	22,894	50,882	49,899
Average net worth per employee - All employees	9,802	12,984	18,547
Average gross plant investment per factory employee (Excluding Executives)	21,387	44,048	35,600
Net worth percentage of fixed assets	228.41%	110.45%	173.85%
EMPLOYEES			
Percent factory - All employees	83.38%	74.98%	77.45%
Percent administrative - All employees	11.16	12.64	11.79
Percent sales - All employees	5.46	12.38	10.76
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	\$ 47,169	\$ 64,950	\$ 69,021
Sales per factory employee	57,528	88,051	93,650
Sales less material per factory employee	45,391	69,656	70,217
Sales per administrative employee	420,890	579,905	494,501
EXCLUDING EXECUTIVES			
Sales per employee - All employees	57,502	72,253	78,031
Sales per factory employee	68,426	94,353	101,851
Sales less material per factory employee	53,825	74,723	76,217
SALES PER SALESMAN	783,902	475,566	489,928
SALES TO CURRENT ASSETS	502%	382%	376%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	54.80%	52.62%	46.08%
Factory payroll percentage of gross plant investment	152.94	95.29	116.59
Payroll per employee - All employees	\$ 25,678	\$ 34,226	\$ 32,315
Payroll per factory employee	25,388	31,997	29,645
Payroll per administrative employee	22,626	38,784	35,633
Payroll per sales employee	19,849	44,869	37,234
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	\$ 20,405	\$ 26,941	\$ 23,435
Payroll per factory employee	20,384	26,396	22,843
Payroll per administrative employee	15,463	17,154	14,031
Payroll per sales employee	18,788	38,911	30,677
EXECUTIVE PAYROLL			
Payroll per executive - All executives	22,924	52,039	52,050
Payroll per factory executive	23,090	27,896	33,949
Payroll per administrative executive	15,917	69,303	95,120
Payroll per sales executive	0	32,465	30,329
RECEIVABLES			
Collection period	39.4	68.6	64.1
PROFIT			
Gross profit percentage of sales	18.69%	28.34%	28.76%
Average gross profit per factory employee	\$ 12,957	\$ 27,589	\$ 30,799
Income before taxes percentage of sales	3.62%	3.30%	11.48%
Average income before taxes per employee	\$ 1,409	\$ 2,504	\$ 7,939

** Sample insufficient for Profit Leaders.

CHAPTER 3 - BY TYPE OF WORK

RETURN ON INVESTMENT - PER \$100 OF SALES

	BLACK AND WHITE**	COLOR WORK	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
INVESTMENT			
Current Assets:			
Cash	\$ 8.40	\$ 3.38	\$ 4.66
Receivables	10.40	18.25	17.46
Inventories	1.76	3.55	3.55
Marketable securities	0.00	0.27	1.12
Other current assets	0.98	2.10	2.43
	21.54	27.55	29.22
Plant Investment:			
Land and building	0.00	7.27	6.12
Machinery and equipment	24.96	35.39	25.98
Other fixed assets	6.59	5.08	5.65
	31.55	47.74	37.75
Non-Current Assets	2.65	1.88	1.66
TOTAL INVESTMENT	55.74	77.17	68.63
INVESTMENT TURNOVER PER \$100 OF SALES	179.40%	129.58%	145.71%
EARNINGS			
Cost of Product	\$81.31	\$71.66	\$71.24
Selling Expenses	5.04	11.60	9.11
Administrative Expenses	9.94	11.53	10.00
	96.29	94.79	90.35
Income Before Interest, Other Income, and Taxes	3.71	5.21	9.65
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	6.66%	6.75%	14.06%

** Sample insufficient for Profit Leaders.

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING**		
		TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	40	\$1,913,000	\$3,431,000	\$161,000
TOTAL - PROFIT LEADERS*	8	2,046,000	3,610,000	467,000
BY SIZE OF FIRM				
ALL FIRMS				
0-\$500,000	3	99,000	338,000	9,000
\$500,000-\$1,500,000	7	466,000	933,000	7,000
\$1,500,000-\$3,000,000	12	1,131,000	2,037,000	30,000
Over \$3,000,000	18	3,299,000	5,848,000	333,000
PROFIT LEADERS				
\$1,500,000-\$3,000,000	3	851,000	1,638,000	169,000
Over \$3,000,000	4	3,375,000	5,831,000	792,000
BY MARKET				
ALL FIRMS				
Printers and Lithographers	14	1,161,000	2,210,000	71,000
Advertising Agencies	10	1,512,000	2,897,000	143,000
Publishers	9	3,421,000	5,487,000	173,000
Carton Manufacturers	3	1,149,000	2,724,000	109,000
Other	4	2,726,000	4,947,000	531,000
PROFIT LEADERS				
Advertising Agencies	2	2,035,000	3,640,000	322,000
Publishers	2	3,675,000	5,307,000	714,000
Other	2	1,691,000	3,813,000	676,000
BY TYPE OF WORK				
ALL FIRMS				
Black and White	6	455,000	1,220,000	61,000
Color Work	33	2,049,000	3,714,000	150,000
PROFIT LEADERS				
Color Work	6	1,504,000	3,045,000	385,000

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 30.

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

Firm	Sales	Factory Payroll	% of Sales	
			Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	\$ 200,000	\$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	

HOW DO YOU COMPARE IN NORTH AMERICA?

The Individual Company Computer Printout is a fundamental part of the PIA Financial Ratio Study. It is a detailed, well-organized presentation of key financial information that encompasses every facet of your printing business. It contains data specific to your company that are not available in the published volumes of the study. The Individual Company Computer Printout, designed with you, the busy printing executive in mind, is a concise presentation of:

- Your firm's operating statement;
- Your firm's balance sheet;
- Supporting schedules for your firm's income statement and balance sheet; and
- Your firm's Return on Investment.

In addition:

- Your firm's financial data are expressed in dollars and ratio form;
- The ratios of your printing firm are compared side by side with the ratios of all other ratio study participants and "profit leaders," based on both sales revenue and value added. Ratios of survey participants and "profit leaders" that produce the same products and use the same manufacturing process are also presented for your immediate comparison;
- Using the same presentation format described in the previous item, the ratios of your printing firm are also compared side by side with the ratios of all survey participants and "profit leaders" that are approximately the same size in terms of sales; and
- Finally, "significant facts" statistics are presented to help you gauge where your company stands relative to industry "profit leaders" and the U.S. and Canadian printing industries as a whole.

Because of the detail that the Individual Company Computer Printout contains, it can quickly help you identify those areas and operations of your business that are running efficiently and those that are not. You'll be able to ascertain the seriousness of problems and how much corrective action is necessary. The bottom line is that you can purchase all of these data for a small fraction of what you would have to pay if you generated a similar analysis from scratch.

If you are part of the 1984 database, and have not already done so, I urge you to make the investment. If you are not part of the database, please consider participating in the 1985 PIA Financial Ratio Study and availing yourself of this particular service.

William A. Rose, II
Director
PIA Financial Services